AMENDED IN SENATE MAY 6, 2009 AMENDED IN SENATE APRIL 22, 2009 AMENDED IN SENATE APRIL 13, 2009

SENATE BILL

No. 518

Introduced by Senator Lowenthal (Coauthor: Senator Hancock)

February 26, 2009

An act to amend Section—76360 76361.1 of, and to repeal Section 76361 of, the Education Code, to add Section 2117.5 to the Streets and Highways Code, and to amend Section 22508 of, and to add Division 19 (commencing with Section 43000) to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 518, as amended, Lowenthal. Vehicles: parking services and fees. (1) Existing law regulates the amount of fees that a community college district may charge for parking and authorizes the governing board of a community college district to require payment of a parking fee at a campus in excess of established limits for the purpose of funding the construction of one ampus parking facilities if certain conditions are

This bill would delete these provisions and instead require that state funds not be used, directly or indirectly, to subsidize parking services, except as specified, for students, employees, or other persons on and after January 1, 2011. The bill also would authorize the governing board of a community college district to exempt specified students who receive financial assistance or who rideshare or carpool from paying parking fees that exceed \$20 per semester.

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(1) Existing law authorizes the governing board of a community college district to require students in attendance and employees at a campus of the district to pay a fee for the purposes of partially or fully recovering transportation costs incurred by the district or of reducing fares for services provided by common carriers or municipally owned transit systems to those students and employees. The fees authorized may be required to be paid only by students and employees using the services. In the alternative, all students and employees on that campus may be required to pay the fees for a certain period of time upon a favorable vote of a majority of both groups or by all students on that campus for a certain period of time upon a favorable majority vote of the students; however, the employees would be excluded from using the services. Los Rios, Peralta, and Rio Hondo community college districts are only authorized to charge the transportation services fee to students and employees using the services, unless the above voting procedures have been followed.

This bill would remove the limitations on the Los Rios, Peralta, and Rio Hondo community college districts' collection of the transportation service fees from the students and employees at the affected campuses.

(2) Under existing law, the State Building Construction Act, state funds may be used to fund the construction or operations of parking facilities in California. Under existing law, a city or county is authorized to provide for the parking of motor vehicles, including the construction and operation of parking facilities, and the acquisition of land, property, and rights-of-way necessary or convenient for use as public parking places.

This bill would prohibit, notwithstanding any other provision of law on and after January 1, 2011, the use of state funds to, directly or indirectly, subsidize the construction or operations of parking, except as specified, and for this purpose, the bill would define—both the construction and operating costs of parking, the current cost of a monthly transit pass, the full cost of a parking space, and transit intensive areas, and specify the exceptions to this requirement. A violation of the Vehicle Code is a crime. Because a violation of this prohibition would be a crime, this bill would impose a state-mandated local program.

The bill would require, on or before January 1, 2012, a city or county within a region covered by a metropolitan planning organization, except as specified, to adopt and implement, or have adopted and implemented, measures from a specified menu that achieve a total score of at least 20 points, based on the points associated with that menu to ensure that a

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city or county manages its parking so that the actual cost of a parking space equals its full cost, as specified. By increasing the duties of local public officials, the bill would impose a state-mandated local program.

The bill also would authorize a city or county, to request the State Air Resources Board (board) to approve and award points for other alternate measures to reduce or eliminate subsidies that fail to charge users for the full cost of a parking space, as specified. The bill also would provide that if a city or county adopts and implements measures to achieve require the board to consider making cities or counties that adopt and implement measures that exceed a total score of-at least 20 points from the specified menu, the city or county would be eligible to receive carbon reduction credits through the board's cap-and-trade program-administered by the State Air Resources Board, as specified, and if a total score of at least 50 points from the specified menu is achieved, the city or county, with respect to any application for competitive loan or grant programs funded by a general obligation bond approved by the voters on or after January 1, 2010, would receive bonus points equal to 5% of the total available points.

- (3) This bill would also authorize the expenditure of any moneys apportioned to cities or counties from the Highway Users Tax Account in the Transportation Tax Fund for the adoption or implementation of transportation demand management measures, including measures adopted pursuant to these provisions.
- (4) Existing law prohibits a local authority from establishing parking meter zones or fixing the rate for those zones except by ordinance.

This bill would permit a local authority to specify by ordinance a performance target and allow the rate of fees to be set administratively to achieve the performance target.

This bill would authorize a local authority to dedicate any portion of revenues collected from parking meter zones to benefit parking benefit districts or to fund programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs

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so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the 2 following:

- (a) The transportation sector contributes over 40 percent of the greenhouse gas emissions in the State of California; automobiles and light trucks alone contribute almost 30 percent. The transportation sector is the state's single largest contributor of greenhouse gases.
- (b) In 2006, the Legislature passed and the Governor signed Assembly Bill 32 (Chapter 488 of the Statutes of 2006; hereafter AB 32), which requires the State of California to reduce its greenhouse gas emissions to 1990 levels no later than 2020. According to the State Air Resources Board, in 1990 greenhouse gas emissions from automobiles and light trucks were 108 million metric tons, but by 2004 these emissions had increased to 135 million metric tons.
- (c) Greenhouse gas emissions from automobiles and light trucks can be substantially reduced by new vehicle technology and by the increased use of low carbon fuel. However, even taking these measures into account, it will be necessary to achieve significant additional greenhouse gas reductions by reducing vehicle miles traveled. Without those reductions, California will not be able to achieve the goals of AB 32.
- (d) In addition, automobiles and light trucks account for 50 percent of air pollution in California and 70 percent of the state's consumption of petroleum. Reducing vehicle trips will also help reduce criteria pollutant emissions that are regulated by the state and federal Clean Air Acts and reduce the state's dependence on petroleum.
- (e) California has five of the top 13 most traffic congested metropolitan areas in the United States. Pricing strategies, such as parking pricing, are the most effective way to achieve lasting reductions in traffic congestion by permanently reducing roadway

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demand. On a congested street, eliminating just 10 percent of vehicles can result in free-flowing traffic.

- (f) The existence of "free" parking is a significant factor that encourages vehicle trips. At employment sites, employer-paid parking increases rates of driving by as much as 22 percent. Conversely, employee-paid parking reduces rates of driving by the same amount.
- (g) Excessive governmental parking requirements greatly expand the built footprint and increase travel distances, thereby increasing vehicle miles traveled and reducing the viability of alternate transportation modes that help to achieve the state's greenhouse gas reduction targets, including walking, bicycling, and public transportation.
- (h) Parking is costly to build and maintain. Building a structured parking space in 2008 costs between \$17,000 and \$30,000, with underground spaces costing significantly more. Annual operations and maintenance costs vary from \$100 and \$500 per space per year. The high cost of land, construction, and maintenance to provide free parking adds significantly to the cost of economic development, making many housing and commercial developments, especially those on infill or transit-oriented sites, financially infeasible and hindering economic development strategies. Moreover, when parking is provided free to the user, these costs are hidden elsewhere in the cost of doing business. Free parking at stores is paid for by all customers in higher prices for goods, including those customers who do not drive. Free parking in housing developments is paid for by all residents, even those who do not drive. Free employer-provided parking is paid for by lower wages for all workers, including those who do not drive. Free onstreet parking is paid for by the entire community in the form of taxes.
- (i) Eliminating subsidies for parking has enormous potential to reduce traffic congestion and greenhouse gas and other vehicle emissions by reducing vehicle miles traveled. If drivers must pay the true cost of parking, it will affect their choices on whether or not to drive. In the short term, changes to parking policy can reduce traffic congestion and greenhouse gas emissions more than all other strategies combined, and they are usually the most cost-effective approach. Eliminating parking subsidies can also

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improve social equity by lowering prices for those who do not drive, that are often lower-income households.

- SEC. 2. Section 76360 of the Education Code is amended to read:
- 76360. (a) Except as provided in subdivision (b), a community eollege district shall not use state funds, directly or indirectly, to subsidize the construction or operations of parking for students, district employees, or other persons on and after January 1, 2011. The construction and operations of parking are not subsidized if parking user fees cover land and construction costs within no less than 15 years, and operation and maintenance costs on an annual basis.
- (b) (1) The governing board of a community college district may exempt students who receive financial assistance pursuant to any programs described in subdivision (g) of Section 76300 from parking fees that exceed twenty dollars (\$20) per semester.
- (2) To encourage ridesharing and carpooling, the governing board of a community college district may exempt a student who certifies, in accordance with procedures established by the board, that he or she regularly has two or more passengers commuting to the community college with him or her in the vehicle parked at the community college, from parking fees that exceed thirty dollars (\$30) per semester and ten dollars (\$10) per intersession.
- (c) All parking fees collected shall be deposited in the designated fund of the district in accordance with the California Community Colleges Budget and Accounting Manual, and shall be expended only for parking services or for purposes of reducing the costs to students and employees of the college of using public transportation to and from the college.
- (d) Fees collected for use of parking services provided for by investment of student body funds under the authority of Section 76064 shall be deposited in a designated fund in accordance with the California Community Colleges Budget and Accounting Manual for repayment to the student organization.
- (e) "Parking services," as used in this section, means the purchase, construction, and operation and maintenance of parking facilities for vehicles and motor vehicles as defined by Sections 415 and 670 of the Vehicle Code.
 - SEC. 2. Section 76361 of the Education Code is repealed.

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76361. (a) The governing board of a community college district may require students in attendance and employees at a campus of the district to pay a fee for purposes of partially or fully recovering transportation costs incurred by the district or of reducing fares for services provided by common carriers or municipally owned transit systems to these students and employees.

- (b) Fees authorized by subdivision (a) for transportation services may be required to be paid only by students and employees using the services, or, in the alternative, by either of the following groups of people:
- (1) Upon the favorable vote of a majority of the students and a majority of the employees of a campus of the district, who voted at an election on the question of whether or not the governing board should require all students and employees at the campus to pay a fee for transportation services for a period of time to be determined by the governing board of the district, the fees may be required to be paid by all students and all employees of the campus of the community college district.
- (2) Upon the favorable vote of a majority of the students at a campus of the district, who voted at an election on the question of whether or not the governing board should require all students to pay a fee for transportation services for a period of time to be determined by the governing board of the district, the fees may be required to be paid by all students at the campus of the community college district. However, the employees shall not be entitled to use the services.
- (c) If, pursuant to this section, a fee is required of students for transportation services, any fee required of a part-time student shall be a pro rata lesser amount than the fee charged to full-time students, depending on the number of units for which the part-time student is enrolled. In addition, a governing board maintaining transportation services shall adopt rules and regulations governing the exemption of low-income students from required fees, and may adopt rules and regulations that provide for the exemption of others.
- (d) The total fees to be established periodically by the governing board pursuant to this section shall not exceed the amount necessary to reimburse the district for transportation costs incurred by the district in providing the transportation service. The sum of the fee authorized pursuant to this section for transportation

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services and the fee authorized pursuant to Section 76360 for parking services shall not exceed sixty dollars (\$60) per semester or thirty dollars (\$30) per intersession, or the proportionate equivalent for part-time enrollment.

- (e) The governing board of a community college district also may require the payment of a fee, to be fixed by the governing board, for the use of transportation services by persons other than students and employees.
- (f) This section does not apply to, and no fee shall be charged for, on-campus shuttles or other transportation services operated on a campus or between the campus and parking facilities owned by the district.
- SEC. 3. Section 76361.1 of the Education Code is amended to read:

76361.1.

- (a) This section applies only to the Los Rios, Peralta, and Rio Hondo community college districts.
- (b) Notwithstanding any other provision of law, a district to which this section applies may require that a fee authorized by subdivision (a) of Section 76361 for transportation services be paid only by students and employees using the services, or, in the alternative, by any of the following groups of people:
- 76361.1. (a) The governing board of a community college district may require students in attendance and employees at a campus of the district to pay a fee for purposes of partially or fully recovering transportation costs incurred by the district or of reducing fares for services provided by common carriers or municipally owned transit systems to these students and employees.
- (b) Fees authorized by subdivision (a) for transportation services may be required to be paid only by students and employees using the services, or, in the alternative, by any of the following groups of people:
- (1) Upon the favorable vote of a majority of the students and a majority of the employees of a campus of the district, who voted at an election on the question of whether or not the governing board should require all students and employees at the campus to pay a fee for transportation services for a period of time to be determined by the governing board of the district, the fees may be required to be paid by all students, other than those students who are exempt from the fees pursuant to paragraph (1) of subdivision

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(c), and all employees of the campus of the community college district.

- (2) Upon the favorable vote of a majority of the students at a campus of the district, who voted at an election on the question of whether or not the governing board should require all students to pay a fee for transportation services for a period of time to be determined by the governing board of the district, the fees may be required to be paid by all students, other than those students who are exempt from the fees pursuant to paragraph (1) of subdivision (c), at the campus of the community college district. However, the employees shall not be entitled to use the services.
- (3) Upon the favorable vote of a majority of the students at a campus of the district taking a specified number of course credits for a specified duration, to be determined by the governing board, who voted at an election on the question of whether or not the governing board should require all students taking that prescribed number of course credits to pay a fee for transportation services for a period of time to be determined by the governing board of the district, the fees may be required to be paid by those students taking the prescribed number of course credits, except those students who are exempt from the fees pursuant to paragraph (1) of subdivision (c), at the campus of the community college district. However, the employees shall not be entitled to use the services.
- (c) (1) If, pursuant to Section 76361, a fee is required of students for transportation services, any fee required of a part-time student shall be a pro rata lesser amount than the fee charged to full-time students, depending on the number of units for which the part-time student is enrolled. Notwithstanding any other provision of law, the governing board of a community college district—to which this section applies that provides for transportation services may adopt rules and regulations to exempt low-income students from this fee, or to require low-income students to pay all or part of this fee.
 - (2) Notwithstanding any other provision of law:
- (A) The governing board of a community college district to which this section applies shall not enter into, or extend, a contract for transportation services provided by a common carrier or a municipally owned transit system, funded by the proceeds of a fee authorized under this section, unless and until a majority of the students of that district who vote in an election, held no more than

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10 years prior to the date of the expiration of the contract proposed to be entered into or no more than 10 years prior to the date to which it is proposed that an existing contract be extended, have approved the payment of the fee for this purpose. An election held pursuant to this subparagraph section shall be held in accordance with regulations adopted by the board of governors to ensure that the election is publicly noticed and that all students, including full-time, part-time, evening, and weekend students, have an opportunity to vote in the election.

- (B) If the governing board of a community college district-to which this section applies decides to seek to terminate or alter the arrangements under which the district receives transportation services from a common carrier or municipally owned transit system, the governing board shall provide at least 12 months' notice of that intention to the provider of transportation services.
- (d) A community college district to which this section applies is subject to subdivisions (d), (e), and (f) of Section 76361.
- (d) The total fees to be established periodically by the governing board pursuant to this section shall not exceed the amount necessary to reimburse the district for transportation costs incurred by the district in providing the transportation service. The sum of the fee authorized pursuant to this section for transportation services and the fee authorized pursuant to Section 76360 for parking services shall not exceed sixty dollars (\$60) per semester or thirty dollars (\$30) per intersession, or the proportionate equivalent for part-time enrollment.
- (e) The governing board of a community college district also may require the payment of a fee, to be fixed by the governing board, for the use of transportation services by persons other than students and employees.
- (f) This section does not apply to, and no fee shall be charged for, on-campus shuttles or other transportation services operated 33 on a campus or between the campus and parking facilities owned 34 by the district.
 - SEC. 4. Section 2117.5 is added to the Streets and Highways Code, to read:
- 37 2117.5. Any of the moneys apportioned to cities or counties 38 from the Highway Users Tax Account in the Transportation Tax 39 Fund may be expended for the adoption or implementation of

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transportation demand management measures, including measures adopted pursuant to Section 43002 of the Vehicle Code.

- SEC. 5. Section 22508 of the Vehicle Code is amended to read: 22508. Local authorities—(a) A local authority shall not establish parking meter zones or fix the rate of fees for such zones except by ordinance. An ordinance establishing a parking meter zone shall describe the area—which that would be included within the zone.
- (b) A local authority shall either fix the rate of fees for parking meter zones by ordinance or specify by ordinance a performance target and allow the rate of the fees to be set administratively to achieve the performance target.

Local authorities

(c) A local authority may by ordinance cause streets and highways to be marked with white lines designating parking spaces and require vehicles to park within the parking spaces.

No

(d) An ordinance adopted by-any a local authority pursuant to this section with respect to any state highway shall not become effective until the proposed ordinance has been submitted to and approved in writing by the Department of Transportation. The proposed ordinance shall be submitted to the department only by action of the local legislative body and the proposed ordinance shall be submitted in complete draft form.

Any

- (e) An ordinance adopted pursuant to this section establishing a parking meter zone or fixing rates of fees for such a that zone shall be subject to local referendum processes in the same manner as if such the ordinance dealt with a matter of purely local concern.
- (f) A local authority may dedicate any portion of revenues collected from parking meter zones to benefit parking benefit districts or to fund programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.

36 SEC. 3.

37 SEC. 6. Division 19 (commencing with Section 43000) is added to the Vehicle Code, to read:

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DIVISION 19. PARKING REQUIREMENTS

43000. For the purposes of this division, the following terms have the following meaning:

- (a) "Current cost of a monthly transit pass" means the most recent adopted rate of a monthly transit pass for an adult by the local transit operator serving the jurisdiction in which the residence or employer is located. If no monthly pass exists, the amount shall be the sum of a return fare for a 20-day period. In a jurisdiction in which there are multiple transit operators, the amount shall be the average of the monthly pass of two or more of the largest operators serving the jurisdiction, but no more than four operators. This amount shall be calculated by the regional transportation planning agency by June 31 of each year and shall be made available to the public on the agency's Internet Web site. If no transit operator serves the jurisdiction, the amount shall be \$40 forty dollars (\$40).
- (b) "Full cost of a parking space" means the sum of all of the following:
- (1) Annualized land cost. For surface parking or for structured parking uncovered by occupiable space, the land cost shall be equal to the full value of the land area of the parking facility. For entirely underground parking, the land cost shall be zero. For above-ground parking wholly or partially covered by occupiable space, assume a fractional land cost based upon the above-ground volume of the parking facility compared to the volume of the parking facility and other occupiable building space combined. To annualize the cost, divide actual or fractional land cost by 10. For leased land, use the annual lease rate.
- (2) Annualized construction cost. Include full project cost divided by the useful life of the facility. If actual costs are not available, use a per-space cost from a current relevant parking construction cost index, published by the parking, transportation, or construction industries and assume a 40-year useful life.
- (3) Annualized operations and maintenance costs. Include lighting, landscape, irrigation, security, insurance, equipment, pavement maintenance, collections, enforcement, and related costs. If actual costs are not available, use current applicable estimates published by the parking, transportation, or construction industries.
- (c) "Transit intensive area" means central business districts, areas within one-half mile of a major transit stop, as defined in

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subdivision (b) of Section 21155 of the Public Resources Code, and areas within one-quarter mile of a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code.

43001. (a) Notwithstanding any other provision of law, state funds shall not be used, directly or indirectly, except as provided in subdivision (b), to subsidize the construction or operations of parking on and after January 1, 2011. For the purposes of this section, the construction costs of parking include the land, design, environmental review, permitting, project management, mitigation, and actual construction costs. Operating costs include debt service, maintenance, insurance, enforcement, collections, utilities, equipment operation, security, and other ancillary costs necessary to the operations of the parking facility. The construction or operation of parking is not subsidized if parking user fees cover construction costs within no less than 15 years and operating costs on an annual basis.

- (b) All of the following are exceptions to subdivision (a):
- (1) Locations where the cost of collecting payment for parking would exceed 75 percent of total revenue collected.
- (2) Existing parking facilities at state parks where parking demand does not exceed capacity on more than 10 percent of days.
- (3) Existing parking facilities at state-owned or leased employment facilities that employ 25 or fewer state employees or contractors where parking demand does not exceed capacity on more than 10 percent of days during peak hours.
- (4) Locations where existing employee collective bargaining agreements forbid payment of parking, until the time that those agreements expire.
- (5) Locations where federal rules, prior contracts, or prior funding agreements restrict payment for parking.
- (6) Park and ride facilities serving public transit riders and carpoolers.
 - (7) Parking spaces reserved for persons with disabilities.
- (8) Loans or grants provided for the development, rehabilitation, or preservation of affordable housing that includes parking within the development.
 - (9) Parking spaces at community colleges.
- 43002. (a) On or before January 1, 2012, a city or county within a region covered by a metropolitan planning organization

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shall adopt and implement, or have adopted and implemented, measures from the following menu that achieve a total score of at least 20 points, based on the points associated with each menu item:

MEASURE	POINTS
PARKING REQUIREMENTS AND ZONING	
Eliminate minimum parking requirements citywide or within the	
unincorporated county.	20
Reduce average minimum parking requirements for all general	
office, general retail, general commercial, and similar development	
citywide or within the unincorporated county to:	
Less than 3 spaces per 1,000 square feet	2
Less than 2 spaces per 1,000 square feet	5
Less than 1 space per 1,000 square feet	10
Reduce minimum parking requirements for residential uses to:	
1 uncovered space per zero- or one-bedroom unit	
1.5 uncovered spaces per two-bedroom unit	
2 uncovered spaces per three-bedroom or larger unit	5
Reduce minimum parking requirements for all sizes of residential	
units below 1 uncovered space per unit.	10
Eliminate minimum parking requirements for projects in transit	
intensive areas.	10
Establish maximum parking restrictions for all general office,	
general retail, general commercial, and similar development at or	
below the following:	
3 spaces per 1,000 square feet	10
2 spaces per 1,000 square feet	15
1 space per 1,000 square feet	20
Establish commercial parking maximums of 2 or fewer spaces per	
1,000 sq. feet citywide or within the unincorporated county.	10
Establish commercial parking maximums of 2 or fewer spaces per	
1,000 sq. feet in transit intensive areas.	5
Establish residential parking maximums of 1 or fewer spaces per	
unit in transit intensive areas.	5
Remove restrictions against residential tandem parking, including	
eliminating requirements that parking must be independently	2

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1	accessible to count toward minimum residential parking	
2	requirement, if any.	
3	Remove restrictions against mechanized and mechanical "lift"	
4	parking, including counting mechanized spaces toward minimum	
5	requirement, if any.	2
6	Establish a shared parking ordinance and requirements for	
7	interconnection of parking in all commercial areas.	2
8	Remove or increase by 50% allowable density limits and floor	
9	area ratios (FAR), allowing infill development on existing parking	
10	lots.	10
11	PARKING AND TRANSPORTATION DEMAND	
12	MANAGEMENT	
13	Adopt an ordinance to require that any lease for a residential	
14	dwelling unit within a housing development of five or more units,	
15	if a parking space or spaces are provided in connection with the	
16	lease, include a separate unbundled charge for the parking space	
17	or spaces that reflects the full cost of the parking space or spaces	
18	but is not less than the number of parking spaces associated with	
19	each unit multiplied by the current cost of a monthly transit pass	
20	within the city or county and grant the lessee the ability to opt out	
21	of the parking charge by foregoing use of the parking space or	
22	spaces.	5
23	Adopt an ordinance to require, with respect to the initial sale of a	
24	separate interest within a common interest development of five or	
25	more units, that access to parking be sold separately at a price that	
26	reflects the full cost of the parking space or spaces.	5
27	Adopt an ordinance to require that any lease for commercial space	
28	in a complex of five or more commercial tenants include a separate	
29	unbundled charge for the parking space or spaces that reflects the	
30	full cost of the parking space or spaces but is not less than the	
31	number of leased parking spaces multiplied by the current cost of	
32	a monthly transit pass within the city or county and grant the lessee	
33	the ability to opt out of the parking charge by foregoing use of the	
34	parking space or spaces.	5
35	Adopt an ordinance to require that any new employment contract	
36	under which the employer provides a parking space within the	
37	city, county, or city and county include a nonreimbursable charge	
38	to the employee that reflects the full cost of the parking space but	
39	is not less than the cost of a monthly transit pass within the city,	5

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county, or city and county and that the employee may opt out of	
by foregoing use of the parking space.	
Adopt an ordinance to require employers to offer transit passes to	
all employees, including full-time, part-time, and seasonal	
employees, on a pretax basis and certify compliance upon	
pplication for a new or renewal business license.	2
PARKING MANAGEMENT	
Adopt an ordinance to set on-street parking meter and public	
parking lot and garage rates to achieve an 85% target occupancy	
rate during hours when adjacent businesses are open or employ	
demand-responsive rates that vary throughout the day to achieve	
	10
Establish a Parking Benefit District, whereby all or a portion of	
new public parking revenues are directed toward improvements	
within the district where the revenue was raised.	5
Establish a Residential Parking Benefit District, whereby a limited	
number of parkers may pay to park in an otherwise restricted	
Residential Parking Permit area, with the net revenue directed	
coward improvements within the district where the revenue was	
raised.	5
nstall parking meters in areas with parking occupancy rates of	
greater than 85% and establish meter rates such that parking	
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PARKING REVENUE	
Adopt an ordinance to direct some portion of net public parking	
evenues to programs that reduce parking demand, including, but	-
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Adopt a parking sales tax, a property assessment upon parking	
owners, or a use fee upon parkers, with some portion of resulting	multiplied
net revenue directed at programs that reduce parking demand,	by the %
	of not
	or net
including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements	
including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements	

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(b) Upon request by a city or county, the State Air Resources Board may approve and award points for other alternate measures to reduce or eliminate subsidies that fail to charge users for the full cost of a parking space, if points are awarded in a manner that assigns points to the measures in proportion to their estimated impact on vehicle miles traveled, consistent with the weighting for measures described in subdivision (a).

- (c) If a city or county adopts and implements measures that exceed a total score of 20 points from the menu described in subdivision (a), the city or county shall be eligible to receive carbon reduction credits through the cap-and-trade program administered by the State Air Resources Board for those measures that exceed the 20-point threshold.
- (c) The State Air Resources Board shall consider making a city or county that adopts and implements measures that exceed a total score of 20 points from the menu described in subdivision (a) eligible to receive carbon reduction credits through the board's cap-and-trade program for those measures that exceed the 20-point threshold it the granting of those credits does not result in increasing the overall cap on emissions.
- (d) If a city or county adopts and implements measures to achieve a total score of at least 50 points from the menu described in subdivision (a), with respect to any application submitted by the city or county for competitive state loan or grant programs related to housing, transportation, or economic development or funded by a general obligation bond approved by the voters on or after January 1, 2010, the city, county, or city and county shall receive bonus points equal to 5 percent of the total available points.
- (e) Cities and counties are encouraged to address any parking spillover from new development through the use of residential parking permits or other parking management strategies and to provide residents who resided in the parking permit zone prior to adoption of the parking permit zone a parking permit for free.
- (f) This section shall not apply to a city or county within a region covered by a metropolitan planning organization if the metropolitan transportation organization and the jurisdiction have adopted a binding compact in which the jurisdiction commits to implementing parking reforms by January 1, 2013, that achieve a total score of at least 20 points from the menu described in subdivision (a) and the jurisdiction fulfills the obligations of the compact.

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SEC. 4. Section 2117.5 is added to the Streets and Highways Code, to read:

- 2117.5. Any of the moneys apportioned to cities or counties from the Highway Users Tax Account in the Transportation Tax Fund may be expended for the adoption or implementation of transportation demand management measures, including measures adopted pursuant to Section 43002 of the Vehicle Code.
- SEC. 5. Section 22508 of the Vehicle Code is amended to read: 22508. (a) A local authority shall not establish parking meter zones except by ordinance. An ordinance establishing a parking meter zone shall describe the area that would be included within the zone.
- (b) A local authority shall either fix the rate of fees for parking meter zones by ordinance or specify by ordinance a performance target and allow the rate of the fees to be set administratively to achieve the performance target.
- (c) A local authority may by ordinance cause streets and highways to be marked with white lines designating parking spaces and require vehicles to park within the parking spaces.
- (d) An ordinance adopted by a local authority pursuant to this section with respect to any state highway shall not become effective until the proposed ordinance has been submitted to and approved in writing by the Department of Transportation. The proposed ordinance shall be submitted to the department only by action of the local legislative body and the proposed ordinance shall be submitted in complete draft form.
- (e) An ordinance adopted pursuant to this section establishing a parking meter zone or fixing rates of fees for that zone shall be subject to local referendum processes in the same manner as if the ordinance dealt with a matter of purely local concern.
- (f) A local authority may dedicate any portion of revenues collected from parking meter zones to benefit parking benefit districts or to fund programs that reduce parking demand, including, but not limited to, public transit, transportation demand management, or bicycle and pedestrian infrastructure improvements and promotion.
- 37 SEC. 6.
- 38 SEC. 7. The changes to Section 22508 of the Vehicle Code enacted by this act are declaratory of existing law.

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SEC. 7.

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2 SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, 5 6 eliminates a crime or infraction, or changes the penalty for a crime 7 or infraction, within the meaning of Section 17556 of the 8 Government Code, or changes the definition of a crime within the 9 meaning of Section 6 of Article XIII B of the California 10 Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.